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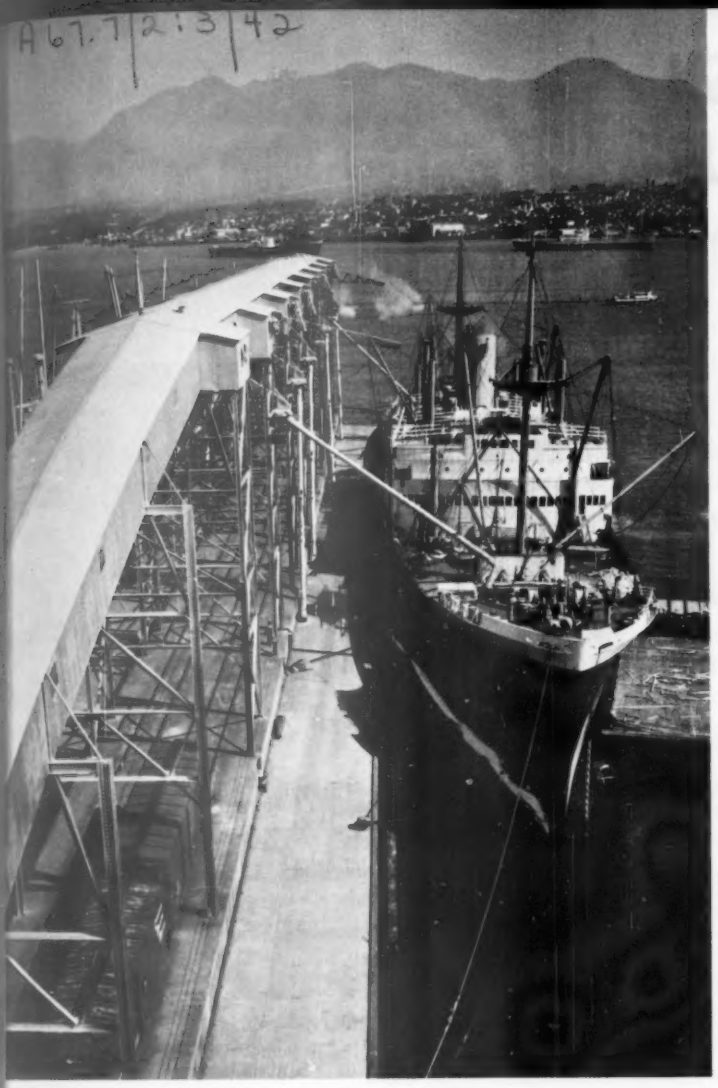

OCTOBER 18, 1965

DESALINATION CONFERENCE

WEATHER—AND THE WORLD WHEAT TRADE

U.S. VARIETY MEATS ANALYZED AT LONDON

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# FOREIGN AGRICULTURE

## Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

# FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

OCTOBER 18, 1965
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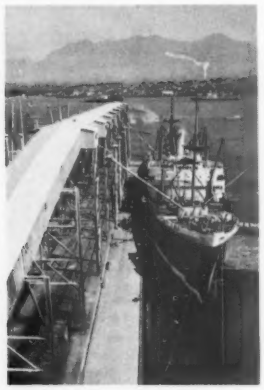

Loading Canadian grain for China at Vancouver, B.C. The world's big wheat-exporting countries are still not certain of their harvest totals (see story on weather and world wheat trade, beginning on p. 4).

Contents


3 Fresh Water Converted From the Sea

4 Weather—and the World's Wheat Trade, 1965-66

6 Damaging Weather Hits Bean Crops, Dims World Trade Prospects

7 Glossary of the World's Vegetable Fibers: Miscellaneous Group

8-12 Market Development

British Variety Meats Importers Stress Quality, Packaging
U.K. Use and Imports of Variety Meats on Rise
The Export and Promotion of U.S. Dairy Products
Cooperators, U.K. Importers Team at Manchester Exhibit
1965 Barter Contracts Down From Last Year's
Japanese Soybean Study

13 World Crops and Markets

**Cotton**
15 U.S. Exports Less Cotton in August

**Fats, Oilseeds, and Oils**
14 Argentine Flaxseed Area Revised Upward
14 India's Peanut Output Hits Record
14 Argentine Tung Crop Estimate Revised
14 Netherlands Imports of Oilseeds and Oils
15 Fishmeal Production and Exports by FEO Members

**Fruits, Vegetables, and Nuts**
13 Turkish Dried Fig and Dried Apricot Estimates
13 Record Turkish Raisin Pack
14 Italy Has Larger Walnut Crop

**Grains, Feeds, Pulses, and Seeds**
13 India To Ration Food Grains
13 Australia Sells Wheat to Iran

**Livestock and Meat Products**
13 Denmark Reduces Pork and Bacon Surplus

**Tobacco**
15 U.S. Tobacco Exports Up in August
16 Sharp Increase in Yugoslav Tobacco Exports
16 Taiwan's Cigarette Output Continues To Rise
16 Portugal's Cigarette Output Up



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# Fresh Water Converted from the Sea
## —an answer to the basic need of man, industry, and agriculture

Water by reverse osmosis

This month in Washington representatives from 65 nations, believed to have been the most impressive array of water engineering talent ever assembled in history, gathered to discuss the progress and potential of water desalination.

The universal need for fresh water and the boundless possibilities of providing it through desalination have given this timely conference unprecedented significance.

Secretary of the Interior Stewart L. Udall in his opening remarks to the conference said, "A successful worldwide cooperative effort that solves man's water supply problems will produce results that stagger the imagination. More water means more food, less disease, and in many countries new opportunities for economic growth."

Without water, man cannot live. But although more than three-fourths of the earth's surface is covered with water, 97.2 percent is in oceans, and unable to quench thirst or nourish crops because it is 3½ percent salt. Consequently, there are vast areas of the globe that do not have potable water in quantities sufficient to meet the needs of the people or are unable to obtain it at a cost the people can afford to pay.

In addition, world population has been growing steadily for many years with an ensuing increase in the need for potable water. In the United States alone water use is growing at the rate of 25,000 gallons every minute and is expected to jump from a daily rate of 359 billion gallons in 1965 to 453 billion gallons daily in 1975. About 10 percent of this goes into American homes, nearly half goes for irrigation, and another 40 percent for industry.

It becomes obvious that new sources of potable water must be developed now if the increasing world demand is to be met. In the words of President Johnson: "There is no newer or more vital frontier for any of us than the one we must cross to a lasting abundance of fresh water for all mankind."

The costs of tapping conventional water sources are steadily rising. Aqueducts must become longer, wells must be drilled deeper. Today it is estimated that the cost of obtaining new water sources by conventional means ranges between 13 cents and 70 cents per 1,000 gallons. By 1980 these costs are expected to rise to 20 to 90 cents per 1,000 gallons.

Desalination is answering this challenge. The time is not far off when fresh water converted from saline, now selling for about $1.00 per 1,000 gallons, will cost as little as 25 cents per 1,000.

Working towards this goal, delegates presented more than 100 technical papers at the first Symposium, and displayed several new processes under development at the Desalination Exposition, held concurrently. Among the new methods of converting saline water is reverse osmosis, pictured above. It has particularly attracted attention because of its inherent technical advantages as a simple and compact desalting process.

Effective use of these new processes and ideas to solve the problems of supplying fresh water could only result from an effective worldwide exchange of information. It was to this end the conference dedicated itself, and in this will lie its ultimate success. President Johnson set the tone for the meeting when he said, "The developing technology of water desalting has received enthusiastic and universal support by nations, large and small, again demonstrating that international cooperation is the key to humanity's advancement."

# WEATHER—and the WORLD'S WHEAT TRADE, 1965-66

*Nearly all possible kinds of weather have been plaguing major wheat crops; October finds traders still uncertain what total supplies and needs will be.*

This October, as in few previous years, the quantity and direction of world wheat trade is still a question mark. Nearly every big wheat-producing country has its fingers crossed, uncertain whether its harvest will live up to earlier forecasts. Far later in the marketing season than usual, the "whether" still means the weather.

Every year, there is some abnormal weather in one or another of the world's wheat areas. But throughout 1965, weather has been "abnormally" abnormal all round the globe, raising havoc with every Northern Hemisphere wheat area above the 49th parallel. This band of trouble includes some of the world's most crucial wheat crops.

No world wheat disaster is in prospect; in fact, the total crop looks like a bumper one. But the actual size and quality of the harvest still remains uncertain in the four top producing countries—both the two biggest exporters (the United States and Canada) and the two newest big importers (the Soviet Union and Mainland China).

Because of these uncertainties, the 1965-66 world trade in wheat appears to be taking on an unusual shape—something like that of 1963-64. The forecast for total output, subject to further weather crises, is 9.1 billion bushels, only 2 percent below the record set last year. Yet total trade may well jump 10 percent above last year's near record, to around 2 billion—largely because of Communist buying.

### Weather trouble in the Northern Hemisphere

The globe-encircling weather problem has affected the winter wheat crops of northern Europe and North China and the spring wheat crops of the United States, Canada, and the Soviet Union.

Winter wheat in northern Europe was faced with a cold, wet spring; continued rains delayed harvests and lowered quality. In the Soviet Union, excessive rain made it difficult to harvest the excellent winter wheat crop. In China, winter wheat suffered from abnormal rain at planting time that apparently reduced acreage by about 10 percent and delayed growth. Before the harvest, China had the opposite problem—extended drought, which hastened maturity and probably reduced yields, though it aided grain drying.

Spring wheat crops in the United States and Canada had wet and cold weather that delayed planting and germination. Once the weather improved in the United States and Canada, the crops made good progress; but the cold and rain returned at harvesttime, raising questions on the final outturns. In the Soviet Union, drought set in during the summer and will result in very low yields. This damage to the spring wheat will cancel out the good results of the winter wheat crop, so that the total Soviet crop may be 15 to 20 percent below the above-average 1964 crop.

### The shape of 1965-66 wheat needs

Among Free World countries, total wheat import needs for 1965-66 look about as large as last year's. In the Communist areas, it now appears that the total wheat deficit may equal the 700-million-bushel record of 1963-64. Besides the Soviet and Chinese crop declines, there have been spotty difficulties in Eastern Europe. Yugoslavia had a bad crop; very good ones in Bulgaria, Rumania, and Poland were partly offset by another below-average one in Czechoslovakia and a decline in East Germany.

Even before the extent of the weather's effect on crop outturn was known, there had been large Communist purchases from Canada, Argentina, Australia, and other Free World sources for delivery in the 1965-66 marketing year. But these purchases, adding up to about 562 million bushels, do not reflect total import requirements. Some 62 million bushels more could move under existing trade agreements, principally those with France and Canada. Beyond this, China and the group of East European countries—if they import at the same level as they did last year—will each need to purchase an additional 37 million bushels. Total Free World exports to Communist areas in 1965-66 thus may approach the 700 million bushels of 1963-64.

### The size of wheat supplies

The world will clearly have enough wheat in its bins to cover these needs. In general, exportable supplies as the marketing year began were well over those of a year ago. Stocks of the four leading exporting countries were 1.8 billion bushels as of July 1; since then, the United States and Canada have been harvesting near-record crops, though the totals are still uncertain. The two Southern Hemisphere exporters, Argentina and Australia, are both looking forward to good harvests in December given some additional moisture, though neither crop will be quite so good as last year's. The fifth largest exporter, France, has a record crop in quantity, although not in quality. These five countries account for 90-95 percent of world trade in wheat.

Yet, paradoxically, the world's wheat supply situation is somewhat tight. Recent big Communist purchases, added to previous ones and to traditional Free World purchases, will fully utilize loading and shipping facilities until July 1966 for Canada and through March 1966 for Argentina. Australia has little more than enough wheat in prospect to meet the needs of traditional markets and of Mainland China. France's exportable supply is limited by a low carryover and the probability of increased livestock feeding from this year's poor-quality crop. The government has not yet encouraged exporters to push for additional sales, though undoubtedly some will be made.

Biggest producer and exporter among the Big Four, the United States, currently estimates 1965 output at a near-record 1,354 million bushels. Exports during 1965-66 to traditional markets—including Public Law 480 shipments—are estimated at 750 million. Stocks after domestic uses are deducted would amount to about 760 million bushels, slightly more than a year's domestic needs. This continues a more or less steady decline from the top carryover figures of 1.4 billion bushels as of July 1, 1961.

In the country sections that follow, *Foreign Agriculture*

presents details and analyses of the current wheat situation in Argentina, Australia, Canada, and France, as it looks to the U.S. agricultural attachés stationed there.

### Big Argentine crop a shipping problem

The pressure of Argentina's second consecutive bumper wheat crop on its bulging granaries has been relieved through this year's heavy purchasing by Communist countries; but the strain has largely been passed on to Argentina's port facilities.

Already sold or firmly committed between July 1, 1965, and November 30, 1966 (end of Argentina's wheat-marketing year), are about 300 million bushels, of which Mainland China and the Soviet Union have contracted for 110 million. Brazil is committed to buy nearly 55 million, and the rest is expected to be bought by other Free World customers.

At least some additional sales will almost certainly be made. Argentina has been attempting, with as yet unknown success, to exchange wheat for needed imports—especially petroleum products—from various countries. It is currently negotiating with Brazil for an increase in that country's wheat purchase commitments, to compensate for the recent sharp increase in its own imports of Brazilian goods. And insistent rumors point toward a possible new contract with Mainland China for wheat sales ranging from 11 million to 37 million bushels. Some of this new business could be offset by smaller sales to normal Free World customers, particularly if heavy commitments to new customers relieve the selling pressure normal at harvest.

Supply may not be a limiting factor. The growing crop is in good condition, although rain is needed soon in some areas; most early estimates forecast output at about 295 million bushels. Deducting some 185 million for domestic needs would leave nearly 380 million available.

A more serious limitation is port capacity. "Normal" average monthly grain turnovers have recently been surpassed, and because exportable stocks of other grains are virtually exhausted, shipments for the next few months will be almost all wheat. Still, the rate will fall next year, when the big wheat contracts have been fulfilled and exports of other grains are again competing for the space. The trade doubts that more than about 312 million bushels can be handled in the 17 months. —QUENTIN R. BATES

*U. S. Agricultural Attaché, Buenos Aires*

### Australian crop good, but not record

Serious drought during the season of planting and early growth is expected to reduce Australia's 1965-66 wheat crop considerably below last year's record 370 million bushels. Mainly responsible is the situation in New South Wales, which last year produced more than 40 percent of the country's wheat.

As of early October, unseasonable heat plus inadequate followup rains was causing further deterioration in New South Wales. It was estimated that the total Australian crop to be harvested between this November and next January would probably not exceed 300 million bushels.

Exceptionally favorable weather in Western Australia and a good season in South Australia and Victoria had previously been expected to offset to a large degree the results of drought in northern New South Wales and in Queensland. Acreage has been expanding in nearly all areas of the wheat belt—especially in Western Australia—and if it had not been for the dry season in New South Wales, total acreage would have set a new record.

Strong export demand for Australian wheat during the 1964-65 season, especially from the USSR and Mainland China, will leave the Australian Wheat Board—which handles all wheat marketed—with virtually no carryover stocks from the 1964-65 season. This position seems likely to be repeated at the end of the coming marketing year. Even from last year's record crop, Australia was unable to meet all the Chinese demand. It may be expected, therefore, that any surplus above the sales to be made to traditional markets in Europe will be taken up by the Communist Chinese.

It has been a disappointment to the Board that there may not be enough wheat in 1966 to service the demand created through Australia's successful drive for new markets during recent years. Particularly difficult to meet will be export orders for the high-protein semihard wheats. The major production area for these wheats is the region most affected by drought. Since little premium wheat will be produced there this season, millers are willing to pay top prices to secure any available supplies for domestic flour needs, and only negligible quantities are likely to become available for export in 1966.—WILLIAM L. RODMAN

*U. S. Agricultural Attaché, Canberra*

### Canada's crop nearly a record

In the latest chapter of Canada's dramatic wheat story this year, the Dominion Bureau of Statistics forecast of early October put the total crop at 704 million bushels, second only to the record 723 million of 1963.

Previous hopes of a new record fell under the onslaught of extraordinarily bad weather. Scene of the hopes, the three Prairie Provinces, had planting difficulties due to a cold, wet spring; but growing conditions were never better than in 1965. Moisture reserves were among the best in memory, and generous and widespread rain fell during the first half of the growing season.

But hot, dry weather during the flowering and filling periods was accompanied by a widespread epidemic of rust. High winds caused lodging and shattering in some areas. Then, as harvesting approached, the mercury tumbled, and persistent rain turned to snow that flattened standing grain and brought threshing to a standstill for weeks on end. Farmers seized every brief opportunity to combine their wheat, even in a tough or damp condition.

The end of September, however, brought a break in the dismal harvesting weather and raised hopes that farmers would be able to take off most of the excellent crop that was waiting for cool, clear skies and drying winds.

Government and the trade, meanwhile, have fixed only one eye on the leaden skies. The other has watched a slowdown in internal movement of wheat to port terminals—particularly at the Lakehead, where lake vessels waited empty. Railroads have been granted crop-year forgiveness of customs duty and excise taxes on diesel locomotives leased from the United States to facilitate grain hauling.

Speeded-up movement is necessary if a Canadian Wheat Board export target of 600 million bushels is to be met by July 31, 1966. The Board sees no problem in selling such a quantity; 222 million bushels have already been contracted for by the Soviet Union, whose vast purchase 2 years ago helped set the existing Canadian export record. Much of the rest is committed to Mainland China, Eastern Europe, and traditional Free World markets.—JOHN C. MCDONALD

*Assistant U.S. Agricultural Attaché, Ottawa*

### Record French crop includes damaged wheat

Despite unfavorable weather, France has harvested a record 525-million-bushel wheat crop that will permit exports of some 165 million bushels, including 18 million in the form of flour. Export potential would have been higher except for low carryover stocks and the fact that more wheat than usual is of feed grade. Moisture content has ranged from 16 to 21 percent, and nearly all the wheat has required drying.

Cold, rainy weather in July delayed crop growth and made the harvest about 3 weeks late. More rain in September prevented completion of harvesting in the north until the end of the month. Some sprouting occurred.

Up to the end of September, France had sold over a third of its wheat export availabilities, to the following customers (in million bushels): The Soviet Union, 22; Poland, 11; Algeria, 2.9; Portugal, 1.8; Norway, 1.3; other Common Market countries, 6; other European countries, 16, for a total of 61 million.

Much uncertainty surrounds the export destinations of the rest of the surplus, but there is little doubt that it will be sold. France has bilateral agreements with Poland, Hungary, Bulgaria, North Korea, Iran, and Morocco which include quotas for French wheat. While these quotas are not considered firm commitments, they are fairly good indications of possible sales.

Last season France sold substantial quantities of wheat to East Germany, and that country may inquire again this year. So may some Western European customers that were customers last year; and Algeria and the United Arab Republic may also again turn to France.

Although the grain trade, operating under Common Market regulations, is free to make export sales, the French Government controls the flow of exports by adjusting the export subsidy within the EEC maximum, as well as by extending or denying credit guarantees to certain countries. At the reduced export subsidy rate of September—about $38 per metric ton—no exporters requested export certificates. Policy at present is to hold back on wheat exports early in the season to keep the domestic price down.

—PAUL E. QUINTUS
*U. S. Agricultural Attaché, Paris*

# Damaging Weather Hits Bean Crops, Dims World Trade Prospects

Excessive rain, drought, snow, frost, and hail have visited bean-producing areas in many parts of the world, including world's largest bean exporter, the United States. Although it is too early to determine the total extent of weather damage, indications are that exportable supplies of beans will be cut materially.

### Heavy losses in white bean areas

Most all the big exporters and some of the importers have reported losses in their crops of white beans—the type preferred in the major bean import market, the United Kingdom and Western Europe. Among those suffering crop damage are the United States, the Danubian Basin, and Chile—the top three exporters of white beans, in that order. The crop outlook is still uncertain for Africa—fourth largest exporter.

In the United States, the total bean loss was estimated on September 1 at 3 million bags, out of a prospective crop of 20.7 million.

A wet harvest in Michigan, heart of white navy bean production, and freezing snowy weather in the Rocky Mountain area—from Nebraska west to Idaho—where great northerns for $12.00 per hundredweight on October of these beans. As a result, prices of navy beans had advanced from $7.40 per hundredweight early in September to more than $10.50 in early October. A similar rise occurred in great northern. One important dealer was offering great northerns for $12.00 per hundredweight on October 2 compared with $8.50 on September 11, and most dealers were refusing to quote this type at all.

In the 1963-64 marketing year, the United States exported 3.9 million bags of beans—about half of the total world exports. Nearly 2.4 million of these were white beans for the United Kingdom and Western Europe. Current conditions are too confusing to estimate export availability of U.S. beans this year, but severe curtailment is expected.

Prolonged drought since early July in the Danubian countries has reduced bean supplies there by 20 to 30 percent, according to unofficial reports. And recent reports indicate a turn to excessive rains and further losses. This area, which once supplied the large West European market with 2 million bags annually, principally of white beans, shipped less than 200,000 bags in 1964. If current reports of drought and later moisture damage to beans prove correct, 1965-66 exports may be further curtailed.

Chile, the most important bean exporter in South America, reports that its 1965 production is 12 percent below last year's. All except 25,000 bags of exportable-type white beans (estimated at 450,000 bags last April) have been sold. In April and May Chile will harvest a new crop.

### Importers sustain losses

Drought in the Iberian Peninsula has reduced Portugal's bean production 36 percent below last year's and its chickpea output, 42 percent. Spain has also reported pulse losses and has suspended import duties on the items in shortest supply—chickpeas and lentils. Because of these losses, Spain and Portugal are expected to import more beans in 1965-66 than the 300,000 bags imported by them, together, in 1963 (latest available data) Portugal buys principally from its African colonies, but Spain imports U.S. beans.

Japan, the biggest pulse importer and one of the larger bean importers, reported reduced 1965 bean plantings. While Japan gets most of its beans from Burma and China, it has in recent years been taking increasing amounts from the United States. In each of the past 2 years, this country's bean shipments to Japan have ranged between 100,000 and 200,000 bags. Most of these have been low-quality beans, of which the United States is expected to have ample supply this year to meet Japan's limited needs.

Reports have not come in yet on production in any colored bean area of Latin America except Honduras, which because of losses has suspended bean exports. This action could divert Honduran customers—El Salvador, Costa Rica, Guatemala, and other nearby areas—to the United States for red kidney, black, or pinto beans. These types all seem to be in relatively adequate supply here.

—O. E. GOODSELL
*Grain and Feed Division, FAS*

# Glossary of the World's Vegetable Fibers: Miscellaneous Group

Among the world's vegetable fibers is a miscellaneous group which includes leaf and stem fibers and also such widely different types as kapok, from inside seed pods; coir or coconut fiber, from the husk or shell of the coconut; redwood bark fiber, from the bark of trees; Spanish moss, or vegetable horsehair, and luffas, or vegetable sponges.

KAPOK is the best known of the tree fibers and follows cotton as the most valuable of the seed fibers. A short fiber, averaging about three-fourths of an inch long, it is silky, lustrous, fluffy, and lightweight. Because it has considerable springiness and resilience, it is well adapted to use in stuffing and padding; it does not lend itself to spinning because of its smoothness and weakness.

Kapok trees originated in Mexico and Central America but now are to be found principally in Indonesia, Thailand and elsewhere in southern Asia, and tropical Africa. They grow to 40 feet, and sometimes 100 feet, and are among the largest in the tropical forests. The fiber grows mostly along the membrances within the seed pod, and is separated either by machine or by beating out the seeds by hand.

While many of the producing countries still use kapok for mattresses and padding, it has been replaced in importing countries to some extent by manmade foam products and glass fibers. In 1964, world kapok exports exceeded 61 million pounds. Thailand, Indonesia, and Cambodia are the main exporting countries.

PALM OR PALM-LEAF FIBERS constitute a special group of hard fibers, differing from other hard fibers in growth, characteristics, and methods of processing. Most of them are coarse and stiff and are classed as brush fibers. Many palm trees yield fiber but only a few are of commercial importance, namely coir, crin vegetal, the piassavas, palmyra, kitul, and palmetto.

COIR is obtained from the hard, fibrous husk of the kernel of the coconut, and is used for cordage, matting, rugs, brooms, and bags. The fiber resists rot and consequently is used for insulation and soundproofing.

The coir industry is centered in Ceylon and along the Malabar Coast of southwestern India. World output is estimated at 450 million pounds annually, with India the leading producer, and Ceylon second. Despite competition from other fibers, coir production and exports are expanding.

CRIN VEGETAL is fiber from the base of the leaf stem of a dwarf fan-palm that grows abundantly in the northern African countries of Morocco, Algeria, and Tunisia. It has often been called vegetable horsehair because of its resemblance to the animal product, and it serves the same uses for mattresses and upholstery. It too is holding its own against competition from manmade materials.

The PIASSAVAS, or bass fibers, come from the leaf stems or sheaths of many kinds of palms, and are mostly long, tough, dark, and water-resistant. They are used in coarse heavy-duty brushes, brooms, cordage, and twines.

There are many types of piassava, and each is used extensively in the countries where it is grown, though some are exported in sizable quantities. Bahia piassava, used largely for street-sweeping brooms, comes from a palm that grows wild in the swampy, sandy soils of Bahia in Brazil and north into Venezuela. Para piassava, or the monkey bass, also of Brazil, is used commercially in strong brushes and is also woven into ropes, but is too brittle to compete successfully in the heavy-duty brush market.

The West African piassava, also a brush-and-broom fiber, is obtained from the wine-palm that grows abundantly in the valleys along the Atlantic coast of western Africa. It was first introduced into European markets from Liberia in 1890, but Sierra Leone, Nigeria, and the neighboring countries are also exporters.

The Calabar, or flexible bass, is the coarsest and heaviest of the African piassava and makes the best quality brooms. Mixed with Bahia, it is used for railroad track brooms and rotary street sweepers. Lighter in weight than Calabar, rougher, and less flexible, is Sherbro from Sierra Leone. Madagascar piassava is still another broom fiber.

TOQUILLA is called the Panama hat fiber. It grows throughout the coastal regions of Central America and northwestern South America and is especially abundant in Ecuador and Colombia. The name "Panama" hat stems from the California gold-rush days when prospectors returning through Panama bought the Ecuadoran-made hats there. Very little of the toquilla straw is exported, and today the export of hats, which reached a peak of 4.9 million in 1946, has dropped off drastically.

TREE-BEARD or Spanish moss is a fibrous plant that grows on trees as an epiphyte in humid, swampy regions along the Atlantic and Gulf coasts in the United States and Texas. A curly, black, resilient fiber, it resembles horsehair and is often substituted for it: relatively small amounts are produced, however.

BROOMROOT, known also as rice root, is a coarse bunchgrass that grows espeically in Mexico, which exported 3.5 million pounds in 1964. Most of it goes to the United States where it is used for house brooms and whisk brushes.

MILKWEED BAST FIBER obtained from swamp milkweed. It resembles flax somewhat and can be substituted for kapok.

PALMYRA FIBER is a bristle fiber extracted from the leaf stalks of a tall, fan-shaped palm indigenous to Ceylon and the eastern coasts of India, Burma, and Africa. It is used mostly for ropes, twines, and baskets. India exports about 5 million pounds annually.

KITUL is finer, softer, and more pliable than either piassava or palmyra and is obtained from the kitul palm that grows in the hotter parts of India, Ceylon, Indonesia, and the Malay Peninsula. Asians have many uses for it—including ropes to tether elephants—but the export trade is for large cables, ship hawsers for ocean vessels, scrubbing brushes, and horse brushes. It is more expensive than other fibers employed for these purposes.

PALMETTO FIBER is from the cabbage palm that grows wild in the Bahamas, Bermuda, Cuba, Mexico, and the coastal areas from the Carolinas to Florida. It is the only commercial brush fiber produced in the United States, and it makes excellent clothes brushes, scrubbing and horse brushes, also ropes and mats.

LUFFAS are gourds. They are fibrous, and after being retted and cleaned of pulp are used as oil filters, strainers, and household sponges. Japan is the principal exporter, but competition from manmade sponges has hurt this trade.

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This is the last of a three-part glossary of the world's vegetable fibers (other than cotton), summarized from the U.S. Department of Agriculture's 1964 Yearbook, *Farmer's World*. The original material was prepared by *Cecille M. Protzman*, Sugar and Tropical Products Division, Foreign Agricultural Service.

# British Variety Meats Importers Stress Quality, Packaging

Packaging and quality were key words at the U.S. variety meats exhibit and seminar in London last month where British importers indicated they would make increased purchases from the United States if U.S. suppliers could meet the commercial requirements of the U.K. market.

Swift & Co., Wilson Meats, Armour & Co., Rath Packing Co., Texas Packers, and other packing houses displayed a wide range of variety meats in Smithfield Market September 27-29. Simultaneously, at a 3-day seminar at the U.S. Trade Center, U.S. suppliers and U.K. buyers exchanged ideas on supply, quality, and packaging.

Discussions and exhibits centered on beef variety meats, ox tails, and lamb kidneys and livers—items which accounted for $11 million in U.S. exports to the United Kingdom last year. Participating in the events—jointly sponsored by FAS, the American Meat Institute, and U.S. suppliers—were a number of Britain's meat importers, processors, wholesalers, and butchers.

British buyers were candid and specific in pointing out both strengths and weaknesses in U.S. servicing of their market. Strong pleas were entered for trimming excess fat; rapid cooling or freezing to preserve freshness; and packages that are durable, conveniently sized, polyethylene lined, and without staples or wire bands.

In general, buyers were critical of variety meat "speculators" who may be overly conscious of short-term profits.

U.S. trade spokesmen pointed out that where mass production techniques are used, any unusual requirements tend to be reflected in prices. However, they were optimistic that U.S. suppliers could move toward a form of standardization that would assure a uniform, yet competitive, product satisfactory to the U.K. market.

*Clockwise from right: Flanked by Swift Co. representatives is H. E. Remmington of Harvey's Foods, London; a variety meats luncheon buffet; a seminar session at the London Trade Center; the Armour Co. exhibit, one of several by U.S. companies at famous Smithfield market.*

# U.K. Use and Imports of Variety Meats on Rise

***Frank Gerrard, former head of Smithfield College of Meat, analyzed the U.K. market in a speech before the U.S. Variety Meats Seminar in late September***

As a butcher, I might be forgiven for considering that a high-grade balanced food for a mammal is another mammal, provided that we include the various variety meats—or offals—in their natural proportions.

However, for reasons of status, prejudice, or other causes, this balance is not maintained. As an example of extremes, in the Irish Republic some six times as much offal per head per annum is consumed as in Canada. In the United States with a carcass meat consumption (excluding poultry) of some 160 pounds per head, the figure for offal is about 10 pounds, while in the United Kingdom with a carcass meat consumption of roughly two-thirds of this figure, the offal consumption is practically the same. In fact, the actual quantities and the pattern of offal consumption in both countries, prewar as compared with postwar, are somewhat similar. In the United Kingdom the prewar estimated average consumption of offals was 7.4 pounds per head per annum, a figure which currently has increased by well over one-third.

It is somewhat difficult to give specific reasons for this remarkable increase, but as far as the United Kingdom is concerned, the following factors could probably be included as contributory causes.

*Mr. Gerrard (l.) examines variety meat with Assistant U.S. Secretary of Agriculture George L. Mehren at seminar where both were speakers.*

### Why U.K. consumption grew

- During the war period of meat controls, although carcass meat was rigidly rationed, the limited amount of offal available was not subjected to ration control. Under these circumstances edible offal became a particularly attractive foodstuff. Many families were introduced to offal as a regular item in the household diet. An appreciation of their value may have resulted in some carryover into the postwar period.
- In the United Kingdom, and I believe this is happening in the United States as well, there is a strong consumer resistance to excessive fat in any form. Offals in general may be said to have a very low fat content.
- With a high proportion of housewives now engaged in industry, many offals are attractive as they can be rapidly prepared in the form of mixed grills and similar dishes.
- The demand for ready-to-serve precooked meats has increased, and ox tongues and to a lesser extent, those from pigs and sheep, form an important part of this market. Similarly, steak and kidney pies in open pack form or canned ready for cooking, create a demand for ox kidneys.
- Increasing numbers of the younger generation have now received some instruction in domestic science and have become aware of the nutritional value of edible offals in terms of vitamins and mineral content. This would appear to be supported by the demand for canned baby foods based upon liver.
- It is also probable that the reduced volume of carcass beef now being handled by the larger importing firms has resulted in their increased interest in the marketing of offals in order to maintain their turnover.

At the retail shop level, it would appear that there is a ceiling price for beef, above which there is strong consumer resistance.

Under these circumstances, which one may assume could occur more frequently in the future, there is usually a switch to alternative types of protein food, and under such conditions it is probable that subject to suitable price levels, the alternatives would include a proportion of offal.

The level of offal production, is of course dependent upon the total carcass meat output. Over a period, a change in volume of one class of carcass meat may be offset by contrary movement in another, and so the year-to-year fluctuations in the total production of edible offal tend to be relatively small. During the period 1961-64, the estimated average production of edible offal in the United Kingdom was 157,200 tons, varying from 155,000 in 1961 to 159,500 in 1963.

### Imports of U.S. beef offals up

Imported supplies, however, showed a marked yearly increase from approximately 80,000 tons in 1961 to over 100,000 tons in 1964. During 1964, the most important changes in the pattern of our imports was the impressive increase in U.S. beef offals, which at 15,310 tons exceeded those of Argentina (12,318 tons) and Australia (11,556 tons).

Our chief supplier of imported lamb and mutton offals is, of course, New Zealand with 14,766 tons in 1964, while for the first time the United States exceeded the Australian figure of 4,343 tons with shipments of 4,936 tons to the United Kingdom during this period.

Edible pork offals are a different matter. U.K. pork production has increased materially over the last few years and it would appear that we are now supplying our complete needs from domestic supplies and it is probable that use of pig meat in 1965 will exceed that of lamb and mutton.

### Pork offals from Denmark

Denmark usually supplies a little over half of our imports of edible pig offals, which in 1964 had reached 19,739 tons as compared with 15,000 tons in 1961.

Imports of U.S. pork offals are for practical purposes nonexistent on account of the difficulties arising from hog cholera and the consequent veterinary regulations.

And now for what I hope may be a little constructive criticism. Unfortunately, I have no statistical basis for the percentage of the total samples in-

volved. However, I have no great personal faith in statistics, or one might be satisfied that in terms of passenger miles, space travel is the safest form of transport. In any case, human nature being what it is, it will be the 1 percent faulty pack which gets the publicity, not the 99 percent satisfactory.

I should, however, like to emphasize that usually, the offal packs of the larger U.S. organizations are of a high standard. The following observations, on a few of the U.S. offal packs, have been based upon the views expressed by practical people involved in handling this commodity, and to a limited extent, my own experience.

### Recommendations on U.S. packs

The very tentative suggestions for various types of pack are intended more as a basis for general discussion, rather than definite proposals, and are, of course, subject to practical and economic considerations.

There has been some variation in materials used for packing which in many cases do not stand up to the somewhat drastic handling. Cartons are often too thin and fragile. The 6 x 10 pound pails (trade terminology meaning six 10-pound pails) packed in wooden crates came in for particular criticism. Insecure fastening, damp and bloodstained unlined cartons, and stained liver pails have been noted, while the type of lining paper or individual wrap varies considerably.

### Excess fat

Here the majority of complaints were associated with the degree of trim. Much of this involved the excessive quantity of fat under the butt. While it is appreciated that the majority of best grade U.S. cattle are more heavily fatted than those in the United Kingdom, in comparison they show up unfavorably as they may require considerable trimming.

As it is the usual practice to pickle tongues by the arterial method, care should be taken in trimming to ensure that the lingual arteries are undamaged. Hanging the tongue from the tip by a hook is to be deprecated as this interferes with the retention of brine, and also tends to mark the tissue.

Grading within reasonable weight limits per carton is desirable and the presence of bright yellow fat associated with some breeds, and with some older dairy cattle, is unattractive.

In some cases there appears to be evidence that the tongues have been packed without prior cooling, resulting in discoloration, while with others, their condition suggested a considerable delay prior to freezing.

On the credit side high praise was given to some cartons of 60-80 pounds containing 16 x 4 pounds and up, selected tongues, well trimmed and individually wrapped in waxed paper.

### Ox kidneys

Apart from methods of packing, the question of pronounced objectionable odor was the chief criticism although freezer burn and variations in the degree of color were also mentioned.

Two main types of pack might be desirable for beef kidneys: for the manufacturing trade, 2 x 30 pounds polyethylene bags per carton; and for the average retail trade, 6 x 10 pounds polyethylene-lined cartons per outer master carton, preferably individually wrapped in polyethylene.

### Beef livers

I have heard very little complaint with the average run of U.S. beef livers, and a pack consisting of two individually wrapped portions per carton, would seem to be a convenient unit for the average retailer.

### Ox tails

These should preferably be small, with the tip end cut off, and the butt end thoroughly defatted, and although this may seem to be counsel of perfection, preferably straight. Size is probably more important for the retailers than for caterers and manufacturers.

A 30-35 pound pack with polyethylene-lined cartons would seem to be acceptable. Putting the USDA stamp on the container rather than the oxtail would have advantages.

### Beef hearts

In some respects it is unfortunate that the present U.S. practice results in the drastic cutting of ox hearts for purposes of draining any possible blood remaining in the heart. At the present time, there does not appear to be any active interest in importing such hearts. This attitude might change if uncut hearts were made available.

### Demand, output, import trends

It would need a very wise, or more probably, a very foolhardy person to attempt to forecast future trends.

However, it may be reasonable to assume that the supply of U.K.-produced edible offals may not show any marked increase in the next few years, when related to increased population.

If the edible offal consumption continues to follow the present pattern—an increase from 7.8 pounds per capita in 1954 to 10.5 in 1964 (provisional)—I would consider it reasonable to anticipate an increase of about 20 percent by around 1970 over 1964.

This would involve roughly an extra 50,000 tons, which in my opinion would have to be met chiefly from imported sources.

The present share of this market catered for by the United States would appear to be about 20 percent of total imports. The prewar U.S. share of the market, 10.9 percent, had increased to 20.1 percent by 1964, with much of this increase during the last 5 years.

In the past, the British public have been somewhat conservative in their acceptance of new food products.

However, there is now a wide demand for hamburgers and steakettes and, to a lesser degree, liver pâté and continental types of sausage particularly liver sausage. With the implementation of the new proposed standards for sausages and certain meat products, the overall quality and status of such products should increase.

There would appear to be possibilities in extending the volume of such foods, and of introducing new or little-known lines in this country.

The following products might justify some consideration. Hamburgers would seem to lend themselves to the introduction of a percentage of offal and in this respect liver and kidney might be a natural choice. A "steak and kidney" hamburger is meeting a good demand.

So far there has been very little effort to produce the American form of meat loaf. This provides considerable scope for variation, probably with an emphasis on liver and tongue, or tongue trimmings.

The German type of galantine incorporating tongue, or blood and tongue, is seldom seen in this country except in a few delicatessens.

A form of Pennsylvania scrapple employing liver as an ingredient, might be tested as a product for frying.

It should be remembered that unlike her Continental sister, the English housewife is conditioned to frozen meat products, particularly in the form of New Zealand lamb. Consequently, looking to the future and the wider use of domestic freezer space, there might be a future for frozen consumer packs such as complete mixed grills.

# The Export and Promotion of U.S. Dairy Products

In 1964, a new record was set for exports of U.S. dairy products. Of the $276 million worth sent overseas, approximately 66 percent represented dollar sales.

Five percent of the 127 billion pounds of milk produced in the United States was exported in the form of dairy products, about 6.6 billion pounds, milk equivalent. Twenty percent of U.S. butter production was exported, 60 percent of the nonfat dry milk, and 16 percent of the dry whole milk. If these products had not been exported, they would have had to be absorbed in some way in our domestic market or put in storage.

This year U.S. exports, particularly of butter, will be down. The main reason is that milk production in Western Europe has recovered from its 1963 and 1964 low.

U.S. exports of butter, cheese, and nonfat dry milk are competitive in the world market place by reason of an export subsidy. Exports of nonsubsidized dairy items—evaporated milk, condensed milk, dry whole milk, infant and dietetic foods and other dairy products—have ranged from $40-$50 million a year for the last few years.

World production of milk and dairy products will probably continue to increase. It also appears that per capita consumption will go up in many countries. But total gains in consumption are not expected to keep pace with increases in production.

From the standpoint of world nutritional needs, total production is not excessive; but from the standpoint of commercial demand, it is.

### Supply-demand imbalance

There is an imbalance in the supply-demand structure for dairy products because in developed countries where there are adequate means to buy, demand is static, while in developing countries with tremendous potential demand, people lack the money to buy and, therefore, there is no commercial, or effective, import demand.

Western Europe, North America, and Oceania, which have about 20 percent of the world's population, produce about 55 percent of the world's milk. The developing countries, mainly in Latin America, Africa, the Near East, and the Far East, with more than 60 percent of the world's population, produce only about 20 percent.

A few years ago, the Food and Agriculture Organization of the United Nations estimated that by 1970 production of milk in advanced countries will have risen more rapidly than consumption in the rest of the world and that the gap between supply and effective commercial demand would widen. Like all projections, the individuals making them must make their judgments largely on the basis of existing conditions and can't take into account unexpected happenings.

### Demand situation could change

This report did point out however that only a 16-percent increase by 1970 in per capita consumption in developing countries would make it possible for these countries to purchase all production of advanced countries.

This may not happen, but we do know that unexpected things are happening both in the developing countries and in the developed countries that have affected commercial demand. A continuation of the unexpected could certainly change the very sensitive supply-demand balance.

For instance: The economy of Libya is booming as a result of the discovery of oil; oil production in the Suez area has greatly strengthened the Egyptian economy.

Recently, the Sudan imported 10 metric tons of butter for a value of $38,797. This was the first direct commercial shipment of American butter to the Sudan. In 1964-65 our butter also moved to Lebanon and Iran—a new market area for U.S. butter.

U.S. sales of nonfat dry milk this year are expected to be almost double 1962's 208-million-pound sales because of a new use for nonfat dry milk in Western Europe that barely existed 3 years ago. Of the 839-million pound commercial sales in 1964, 500 million pounds went to Western Europe and of the estimated 1965 exports of 500 million pounds, about half will go to this market.

### Milk replacer for veal

This nonfat dry milk is being used as milk replacer for a growing veal production industry, particularly in the Netherlands and Italy. A high percentage of nonfat dry milk is needed to produce the light-colored veal desired by the consumer.

There are problems in the market development of dairy products. We must subsidize our exports of butter, nonfat dry milk, and cheese, as do practically all of our major competitors, either as direct subsidies or as selective prices to certain markets. Fortunately, the strengthening in the world market for nonfat dry milk has allowed us to lower our export subsidy for nonfat dry milk from about 6.33 cents per pound in 1962 to 1-2 cents per pound in 1965, depending upon the program under which it moves.

Exports to developing countries face the problem of high tariff barriers which protect small domestic production from competition, thus denying the consumers in these countries the full advantage of the world supply of low-priced milk and milk products necessary to meet desired nutritional levels. In some countries the domestic industry is protected whether or not it is capable of supplying the existing and growing demand for dairy products—demand that could be supplied at world prices much lower than artificially high internal prices.

### Japan's dairy-import controls

Japan, for instance, has been encouraging the development of a high-price-structure dairy industry. Cow numbers have been increasing 8 to 10 percent a year and in 1964 totaled 1,383,000. Milk production has been increasing 10 to 15 percent with consumption of fluid milk (17 percent in 1964) increasing at a higher rate than increased domestic production (54 percent of which is consumed as fluid milk). This all adds up to a total per capita availability in Japan of only a fraction of a pint of milk per day.

In Japan, a country with a per capita income of $600, retail butter prices in recent years have ranged from 66-82 cents a pound, processed cheese 71-75 cents a pound, nonfat dry milk from 39-45 cents per pound wholesale, and fluid milk sells at 25 cents per quart.

Yet Japan has laws to control the imports of dairy products. Natural cheese (almost all used in the production of Japanese processed cheese), lactose and casein are the only products permitted entry.

The government imports nonfat dry milk for use in its school lunch program on a concessional price basis from Commodity Credit Corporation —in the current school year about 100 million pounds.

Japan will continue to protect its

domestic industry, but ultimately will be importing additional quantities of dairy products allowing domestic production to supply the increasing fluid milk demand.

Above and beyond these factors, many of the developing countries give dairy imports a very low priority in the allocation of their foreign exchange because they fail to appreciate the nutritional value of milk and dairy products.

### Promotion to up use

However, the important role that dairy products can play in the improvement of the nutrition of the peoples of the world—plus the importance of the export market to the economy of the U.S. dairy industry—warrants an aggressive U.S. market development program overseas.

We believe that such a program can most effectively be carried on cooperatively between the U.S. Government and the U.S. dairy industry.

Since 1956, our cooperator for market development for U.S. dairy products has been the Dairy Society International.

Together, we have evolved a program which in the developing areas emphasizes the importance of dairy products from a nutritional standpoint. It stresses importing dairy products to stretch the local supply (for instance, using imported nonfat dry milk to tone or reduce the milkfat in buffalo milk, which is the principal milk supply in many areas of the world, from 6-8 percent to 3 percent, thus increasing the availability of milk); tailoring U.S. products to meet foreign consumers' taste, such as the production of U.S. ghee; the supplementation of the domestic milk supply by using nonfat dry milk and anhydrous milk fat in the production of recombined milk and recombined dairy products; and the importance of sanitation and quality in the production of milk and dairy products.

### Chile a new market

An example of the success of such market development efforts is the current program in Chile. Efforts of the U.S. dairy industry-FAS program to increase consumption of dairy products in Chile are receiving increased cooperation and financial support from the local dairy industry through its processor and trade associations. Governmental, educational, and health officials have given their help.

During the past year, milk and ice cream promotions in Chile have been expanded; increased sales of these products have resulted in increased imports of dairy products as well as bigger purchases of U.S. dairy products. Commercial sales totaled $541,000 in 1962, grew to $1.7 million in 1963, and to $3.7 million in 1964. This market is expected to continue to grow as an important outlet for U.S. milk products. This is not a large market, but it is one that did not exist prior to the program.

## Cooperators, U.K. Importers Team at Manchester Exhibit

British importers of U.S. foods teamed up for the first time with USDA and its commodity cooperators at the Manchester Food, Cookery, and Catering Exhibition last month to stage an exhibit of a wide variety of U.S. foods available to the United Kingdom's Midlanders.

While overall interest in the display —visited by 6,000-8,000 caterers and general public daily—was highly favorable, several products new to the Manchester area attracted particular attention. Supplies of precooked, ready-battered chicken parts were sold out during the first few days. Other brisk sellers were churned and comb honeys, a new line of U.S. spices, and sweet popcorn, as well as the traditional salted variety.

Normally a catering item, turkey roll in quarter-pound packages sold well to housewives. Even products already available in the Midlands—raisin bread, instant and long-grain rice, cake mixes, canned fruits, pretzels, and cranberries—moved rapidly. The Cranberry Institute found that 9 out of 10 visitors were already acquainted with cranberries, so that promotional emphasis concentrated on year-round use.

Trade contacts and new accounts were reported by several importers, leading to new markets for U.S. foods in and around Manchester. One importing firm indicated plans to establish catering outlets, to be followed by retail distribution, for frozen, precooked chicken parts.

The nine U.K. firms—representing 23 U.S. companies—and the five U.S. cooperators agreed that the joint operation greatly increased the range of products shown and facilitated the establishment of new markets.

## 1965 Barter Contracts Down From Last Year's

Barter contracts negotiated during fiscal 1965 totaled $137 million, down $34,000 from last year's total. This brings the total value of barter contracts signed since the program began in July 1949 to $1.98 billion.

During 1965, the Commodity Credit Corporation entered into 91 contracts for $107.6 million procuring goods and services for the Department of Defense and 21 contracts for $29.4 million procuring items for the Agency for International Development. No new barter contracts for strategic materials were negotiated during the year. Strategic materials valued at $39.1 million delivered under existing contracts were transferred to the Supplemental Stockpile.

Countries to which the largest amount (in terms of value) of U.S. agricultural commodities were exported under barter contracts in 1965 were: India ($15.1 million), Israel ($10 million), the UAR ($7.2 million), the Phillippines ($7 million), and Morocco ($6.5 million).

Cotton—valued at $52.3 million—was the principal commodity moved. Next were vegetable oils ($21.6 million), wheat ($21 million), feed grains ($18 million), and tobacco ($13 million).

## Japanese Soybean Study

The Japan Shoyu Research Institute, Tokyo, will compare Japanese and U.S. soybean meals for making shoyu (soy sauce), under a grant awarded by the U.S. Department of Agriculture.

Under a 3-year grant of $35,164, paid in Japanese yen, Institute scientists will compare defatted soybean meals obtained from U.S. and Japanese soybeans and processing procedures used in the two countries.

Japan imports more than 45 million bushels of soybeans annually from the United States. Previous research at the Institute showed that whole soybeans from the United States yielded slightly higher quantities of shoyu than Japanese beans, and that the quality of shoyu was about equal. In recent years, defatted soybean meal has replaced whole beans as the foremost raw material for making soy sauce. A comparative study of meals is important for increasing the Japanese market for U.S. soybeans, officials said.

## India To Ration Food Grains

India's Minister of Agriculture announced on September 9 the rationing of food grains in all cities with a population of 100,000 or more. The goal of this rationing program is to provide 12 ounces of food grains daily to each person. Local grain procurement is to be intensified with a direct levy system on farmers.

While food-grain stocks are somewhat larger than they were at this time last year, domestic production is likely to be smaller. Increased requirements under the rationing program will call for larger grain imports, as well as greater discipline in domestic food consumption. Inadequate supplies could well force a reduction in the planned 12-ounce daily ration. (The United States is the main source of imported grain under the provisions of Title I, P.L. 480.)

## Australia Sells Wheat to Iran

The Australian Wheat Board has reported the sale of 150,000 long tons of new-crop wheat to Iran. The wheat was sold for cash at the equivalent of US$72.10 per ton, c.i.f., for shipment during December 1965-February 1966. The Wheat Board has indicated that a further sale to Iran is possible later in the year.

## Denmark Reduces Pork and Bacon Surplus

Denmark's surplus stocks of pork and bacon have been reduced from 23,000 metric tons in mid-July to around 10,000 tons currently. Because European demand for Danish pork products is reportedly stronger than usual the Danes expect to nearly eliminate surplus stocks. Prices paid to hog producers, which declined during the summer, have recently increased.

## Turkish Dried Fig and Dried Apricot Estimates

Turkey's 1965 dried fig pack is estimated at 55,000 short tons—up one-third from the 41,000-ton 1964 production and 13 percent above the 1959-63 average of 48,600.

Exports of dried figs during the season ended August 31, 1965, are estimated at 31,300 tons, of which 23,600 were edible whole, 4,300 paste, and 3,400 industrial grade. In 1963-64, exports totaled 35,800 tons of which 24,900 were whole, 6,300 paste, and 4,600 industrial grade. During the first 11 months of the 1964-65 season, Turkey exported only 1,754 tons of fig paste to the United States as compared with 2,976 during the same period a year ago.

The reduced paste exports are attributed to the short crop and the higher U.S. Food and Drug rejections in the previous two seasons. These conditions also resulted in a higher price. According to Turkish statistics, the average f.o.b. price for paste shipped to the United States rose from 9.9 cents per pound in 1963-64 to 12.2 cents in 1964-65. The minimum export price for fig paste to the United States remains, thus far, at 15 cents per pound, c.i.f. New York, including a 5-percent rebate to the importer.

Turkey's 1965 dried apricot pack, on the other hand, is estimated at 1,700 short tons or less than half as large as the 1964 output of approximately 3,700 tons. Sizes, however, were reportedly bigger than last year and the quality was very good.

Exports for the 11 months, September 1964-July 1965, totaled 3,582 tons, of which France took 47 percent, West Germany 29 percent, and the United Kingdom 11 percent.

TURKEY'S SUPPLY AND DISTRIBUTION OF DRIED FIGS

| Item | Average 1959-63 | 1963-64 | Preliminary 1964-65 | Forecast 1965-66 |
|---|---|---|---|---|
| | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* |
| Supply: | | | | |
| Beginning stocks | --- | --- | --- | --- |
| Production | 48.6 | 50.0 | 41.0 | 55.0 |
| Total supply | 48.6 | 50.0 | 41.0 | 55.0 |
| Distribution: | | | | |
| Exports, edible: | | | | |
| Whole | 24.0 | 24.9 | 23.6 | (1) |
| Paste | 9.2 | 6.3 | 4.3 | (1) |
| Total | 33.2 | 31.2 | 27.9 | (1) |
| Exports, industrial | 4.1 | 4.6 | 3.4 | (1) |
| Total exports | 37.3 | 35.8 | 31.3 | 41.0 |
| Domestic disappearance | 11.3 | 14.2 | 9.7 | 14.0 |
| Ending stocks | --- | --- | --- | --- |
| Total distribution | 48.6 | 50.0 | 41.0 | 55.0 |

[1] No breakdown available.

TURKEY'S FIG AND FIG PASTE EXPORTS [1]

| Destination | Average 1959-63 | 1962-63 | 1963-64 | 1964-65 [2] |
|---|---|---|---|---|
| | *Short tons* | *Short tons* | *Short tons* | *Short tons* |
| Edible whole figs: | | | | |
| Denmark | 1,173 | 1,264 | 1,338 | 1,213 |
| France | 8,299 | 8,368 | 7,970 | 7,836 |
| Sweden | 1,556 | 350 | 1,939 | 1,429 |
| West Germany | 3,806 | 4,942 | 4,480 | 4,837 |
| United States | 309 | 302 | 254 | 225 |
| Others | 8,851 | 10,819 | 8,947 | 8,035 |
| Total | 23,994 | 26,045 | 24,928 | 23,575 |
| Fig paste: | | | | |
| Canada | 249 | 164 | 213 | --- |
| Ireland | 217 | 130 | 369 | 213 |
| United Kingdom | 2,388 | 1,990 | 2,411 | 2,209 |
| United States | 5,858 | 3,032 | 2,976 | 1,754 |
| Other | 462 | 1,439 | 379 | 95 |
| Total | 9,174 | 6,755 | 6,348 | 4,271 |
| Industrial figs: | | | | |
| Austria | 2,017 | 1,081 | 2,647 | 1,877 |
| Switzerland | 391 | 255 | 316 | 240 |
| West Germany | 1,087 | 2,024 | 649 | 491 |
| Other | 567 | 405 | 1,036 | 785 |
| Total | 4,062 | 3,765 | 4,648 | 3,393 |

[1] September-August year. [2] 11 months, September-July.

## Record Turkish Raisin Pack

Turkey's 1965 raisin pack is set at 120,000 short tons, according to preliminary estimates. This would be 50 percent above the 80,000 tons produced in 1964 and 46 percent above the 1959-63 average pack of 87,600. As would be expected with a crop this large, sizes are rather small—running mostly to No. 9's.

Preliminary data for the marketing season ended August 31, 1965, show Turkish raisin exports at 67,200 tons. This is up substantially from the 1963-64 exports of 55,000 tons but still below the 1958-62 average 76,500. During the first 11 months of the year, September-July, the United

Kingdom took 33 percent of the exports, EEC, 36 percent, and the Soviet Union, 21 percent. During the same 1963-64 period, these areas accounted for 35, 42, and 10 percent respectively. The large increase in sales to the USSR is the result of a bilateral trade agreement, which has encouraged the Turkish trade to expect a record 94,000 tons of exports during the 1965-66 season. In light of large supplies in other exporting countries, this might be somewhat optimistic. In any case, a substantial carryout is likely.

Minimum export prices under the Second Sultana Agreement, signed in June 1965 in Brighton, England, were unchanged for No. 9's and No. 10's but slightly increased for 11's and 12's. These prices (f.o.b.-gross), for the 1965-66 marketing year, are given in the following tabulation:

| | *U.S. cents per pound* |
|---|---|
| No. 9 | 14.7 |
| No. 10 | 15.2 |
| No. 11 | 15.9 |
| No. 12 | 16.1 |

Exporters are allowed to rebate up to 2 percent of the minimum to the buyer, and in addition, up to a 2.5-percent commission to agents is now allowed. Therefore, the actual f.o.b. cost may be as much as 4.5 percent below the stated "minimum" price.

TURKEY'S SUPPLY AND DISTRIBUTION OF RAISINS

| Item | 1963-64 | Preliminary 1964-65 | Forecast 1965-66 |
|---|---|---|---|
| | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* |
| Supply: | | | |
| Beginning stocks (Sept. 1) | 2.5 | 0.9 | 0.5 |
| Production | 66.0 | 80.0 | 120.0 |
| Total supply | 68.5 | 80.9 | 120.5 |
| Distribution: | | | |
| Exports | 55.0 | 67.2 | 94.0 |
| Domestic disappearance | 12.6 | 13.2 | 15.5 |
| Ending stocks (Aug. 31) | .9 | .5 | 11.0 |
| Total distribution | 68.5 | 80.9 | 120.5 |

TURKEY'S RAISIN EXPORTS [1]

| Destination | Average 1958-62 | 1962-63 | 1963-64 | 1964-65 [2] |
|---|---|---|---|---|
| | *Short tons* | *Short tons* | *Short tons* | *Short tons* |
| United Kingdom | 21,814 | 25,965 | 18,970 | 20,670 |
| USSR | 2,094 | 5,512 | 5,078 | 13,369 |
| EEC | 35,262 | 42,418 | 23,754 | 22,494 |
| Other | 17,333 | 17,243 | 7,255 | 6,659 |
| Total | 76,503 | 91,138 | 55,057 | 63,192 |

[1] September-August season. [2] September-July only.

## Italy Has Larger Walnut Crop

Italy's 1965 walnut crop is estimated at 24,000 short tons in-shell basis—up 20 percent from the 20,000-ton 1964 crop but 5 percent below the 1959-63 average of 25,300 tons. About half of the 1965 crop consists of Sorrentos, and the other half, Corrente, or common type. The nuts are reported to be of only fair to poor quality, partly because of an early summer drought and partly because of late summer rains. The harvest was also delayed about 10 days because of the cool, damp weather.

Exports during September 1964-August 1965 are estimated at 9,800 tons in-shell basis—down somewhat from 1963-64 shipments of 10,100 tons and well below the 15,200-ton average for 1959-63. The decline in exports is partly the result of an expanding domestic demand.

Export prices are currently being quoted at 28-29 cents per pound in-shell for Sorrentos. Since exporters doubt that the poor quality 1965 crop can be sold at this price level and since domestic demand is so strong, 1965-66 exports should be under 10,000 tons in spite of the near-average crop.

## Argentine Flaxseed Area Revised Upward

The second official estimate places Argentine seedings of flaxseed at 3,187,590 acres, 2 percent above the first estimate (*Foreign Agriculture*, Sept. 27) and 10 percent above seedings last year.

If the average yield per planted area approximates the average of the last 5 years, production will be about 30 million bushels, compared with 32 million in 1964.

## India's Peanut Output Hits Record

India's 1964-65 peanut production reached a record 6,807,695 short tons from 17,476,000 acres, according to the final official estimates. These estimates are 18 and 4 percent, respectively, above the revised estimates of 5,748,605 tons and 16,825,000 acres in 1964-65.

The increase in production from the previous year reportedly was due largely to increased acreage and favorable weather.

Prospects for the 1965-66 peanut crop are still uncertain. Acreage is reported to have decreased somewhat because of late rains in parts of Gujarat, the major producing State, and in Andhra Pradesh and Maharashtra. Good rains since about August 20, however, have revived hopes of as large a crop as in 1964-65.

## Argentine Tung Crop Estimate Revised

According to the second official estimate, the 1964-65 Argentine tung nut crop is placed at 41,800 metric tons (46,100 short tons)—sharply below the first official estimate (*Foreign Agriculture*, June 14, 1965). This marked decline, 61 percent below the harvest in March-May a year ago, is about in line with previous trade estimates. It evidently reflects more severe damage from the frost of September 1964 than was previously assessed.

Argentine tung oil production in the 1965-66 season from the frost-damaged nut crop of 1964-65 is now unofficially forecast at roughly 7,000 short tons against 18,700 in 1964-65 and 19,900 in 1963-64. The forecast is based on an assumed extraction rate of 15.0 percent.

## Netherlands Imports of Oilseeds and Oils

Imports of oil-bearing materials into the Netherlands during the first half of 1965, at 353,575 metric tons, declined by 9 percent from those in the same period of 1964.

The decline resulted from stock adjustments, which overshadowed an estimated increase in utilization through June of this year; it was largely in soybean imports from the United States, reflecting heavy purchases and imports last December in anticipation of the U.S. longshoremen's strike. The indicated decline was partly offset by increased takings of copra, flaxseed, and peanuts.

Imports of selected fats and oils during January-June amounted to about 83,500 tons, nearly one-fourth below

takings in the comparable 1964 period. The decline reflected reduced takings of soybean, palm, and whale oils, offset somewhat by increased imports of cottonseed oil. The decline in whale oil imports, because of reduced availabilities, has resulted in an apparent switch to vegetable fats and oils, especially soybeans, as such.

THE NETHERLANDS IMPORTS OF OIL-BEARING MATERIALS AND SELECTED FATS AND OILS

| Item | 1962 | 1963 | 1964 | January-June 1964 | January-June 1965 |
|---|---|---|---|---|---|
| | *Metric tons* | *Metric tons* | *Metric tons* | *Metric tons* | *Metric tons* |
| Oil-bearing materials: | | | | | |
| Peanuts [1] | 54,043 | 39,188 | 42,225 | 20,529 | 22,101 |
| Soybeans | 366,450 | 311,545 | 451,499 | 221,241 | 172,831 |
| Copra | 107,311 | 125,805 | 132,196 | 66,218 | 71,097 |
| Palm kernels | 130,489 | 127,490 | 134,453 | 53,946 | 43,168 |
| Flaxseed [2] | 68,185 | 60,618 | 76,459 | 18,345 | 33,211 |
| Castorbeans | 2,833 | 3,968 | 2,292 | 2,070 | --- |
| Others | 37,108 | 35,423 | 11,474 | 5,299 | 11,167 |
| Total | 766,419 | 704,037 | 850,598 | 387,648 | 353,575 |
| Oils: | | | | | |
| Cottonseed | 371 | 1,300 | 3,108 | --- | 3,933 |
| Peanut | 5,976 | 11,504 | 6,207 | 4,106 | 4,040 |
| Soybean | 10,116 | 19,442 | 26,682 | 14,609 | 7,914 |
| Rapeseed | 5,442 | 5,986 | 4,051 | 1,663 | 1,817 |
| Sunflowerseed | 5,670 | 9,415 | 5,235 | 2,472 | 2,023 |
| Palm | 54,499 | 68,443 | 73,783 | 38,157 | 26,437 |
| Linseed | 9,460 | 11,903 | 15,229 | 8,811 | 8,199 |
| Whale and sperm | 34,127 | 26,439 | 21,871 | 10,528 | --- |
| Fish [3] | 42,850 | 63,078 | 57,571 | 29,351 | 29,149 |
| Total | 168,511 | 217,510 | 213,737 | 109,697 | 83,512 |

[1] Shelled basis. [2] Includes quantities imported for seeding. [3] Excludes liver oil.

## Fishmeal Production and Exports by FEO Members

Production of fishmeal by the six member countries of the Fishmeal Exporter's Organization (FEO) during the first 7 months of 1965 declined 0.5 percent from January-July 1964. Production in July in Peru alone declined 71,400 tons to 12,400. Exports of fishmeal by the FEO, however, increased 6 percent from the level of the first 7 months of 1964.

These countries account for over 90 percent of the world exports of fishmeal. Peru, the world's leading producer, accounted for 72 percent of total exports by FEO countries in January-July, the Republic of South Africa 9 percent, Norway 8, Iceland 5, Chile 4, and Angola 2 percent.

FISHMEAL PRODUCTION AND EXPORTS BY FEO MEMBERS

| Country | Production | | Exports | |
|---|---|---|---|---|
| | 1964 | 1965 | 1964 | 1965 |
| | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* |
| Angola | 31.5 | 23.7 | 32.1 | 27.2 |
| Chile | 97.3 | 47.1 | 87.0 | 51.3 |
| Iceland | 73.2 | 67.7 | 66.4 | 64.2 |
| Norway | 114.9 | 189.8 | 121.0 | 117.3 |
| Peru | 953.5 | 892.7 | 912.0 | 1,029.5 |
| South Africa | 189.4 | 231.6 | 127.2 | 132.7 |
| Total | 1,459.8 | 1,452.6 | 1,345.7 | 1,422.2 |

Fishmeal Exporter's Organization, Paris.

## U.S. Exports Less Cotton in August

Exports of U.S. cotton (all types) amounted to 117,000 running bales in August, the first month of the 1965-66 season. This figure was down 56 percent from the 266,000 bales exported in July 1965 and 2 percent below the 120,000 bales shipped in August 1964.

U.S. cotton exports during the 1965-66 season are now estimated at about 4.2 million bales, compared with 4.1 million last season and the 4.9-million average for the past five seasons.

U.S. EXPORTS OF COTTON

[Running bales]

| Country of destination | Year beginning August 1 | | | August | |
|---|---|---|---|---|---|
| | Average 1955-59 | 1963 | 1964 | 1964 | 1965 |
| | *1,000 bales* | *1,000 bales* | *1,000 bales* | *1,000 bales* | *1,000 bales* |
| Austria | 33 | 23 | 11 | [1] | 1 |
| Belgium-Luxembourg | 160 | 176 | 80 | 3 | 3 |
| Bulgaria | 0 | 19 | 0 | 0 | 0 |
| Denmark | 17 | 16 | 6 | [1] | [1] |
| Finland | 22 | 10 | 11 | 1 | 0 |
| France | 360 | 380 | 184 | 16 | 5 |
| Germany, West | 475 | 401 | 217 | 14 | 6 |
| Hungary | 0 | 18 | 0 | 0 | 0 |
| Italy | 416 | 442 | 260 | 19 | 5 |
| Netherlands | 124 | 127 | 65 | 1 | [1] |
| Norway | 10 | 14 | 13 | [1] | [1] |
| Poland & Danzig | 85 | 132 | 67 | [1] | 0 |
| Portugal | 28 | 35 | 22 | 0 | 0 |
| Spain | 171 | 14 | 28 | 0 | 1 |
| Sweden | 75 | 88 | 58 | 1 | 2 |
| Switzerland | 64 | 95 | 66 | 5 | 1 |
| United Kingdom | 525 | 286 | 153 | 2 | 4 |
| Yugoslavia | 108 | 78 | 109 | 4 | 0 |
| Other Europe | 17 | 20 | 10 | 2 | 2 |
| Total Europe | 2,690 | 2,374 | 1,360 | 68 | 30 |
| Australia | 54 | 91 | 60 | 5 | 1 |
| Canada | 217 | 448 | 390 | 2 | 14 |
| Chile | 35 | 2 | 1 | [1] | 0 |
| Colombia | 33 | 14 | 1 | 0 | 0 |
| Cuba | 27 | 0 | 0 | 0 | 0 |
| Ethiopia | 4 | 9 | 4 | 0 | 0 |
| Hong Kong | 134 | 187 | 150 | 1 | 5 |
| India | 184 | 314 | 243 | 18 | 9 |
| Indonesia | 30 | 21 | 47 | 0 | 0 |
| Iraq | 0 | 20 | 0 | 0 | 0 |
| Israel | 16 | 26 | 23 | 1 | 2 |
| Japan | 1,154 | 1,301 | 990 | 11 | 16 |
| Korea, Rep. of | 205 | 313 | 261 | 4 | 16 |
| Morocco | 10 | 15 | 12 | [1] | 0 |
| Pakistan | 14 | 8 | 9 | 0 | [1] |
| Philippines | 64 | 140 | 75 | 5 | 6 |
| South Africa | 26 | 37 | 43 | 2 | [1] |
| Taiwan (Formosa) | 153 | 189 | 203 | 1 | 2 |
| Thailand | 4 | 39 | 55 | 1 | 9 |
| Uruguay | 15 | [1] | 0 | 0 | 0 |
| Venezuela | 2 | 12 | 6 | 0 | [1] |
| Vietnam [2] | 2 | 75 | 63 | [1] | 6 |
| Other countries | 27 | 27 | 64 | 1 | 1 |
| Total | 5,100 | 5,662 | 4,060 | 120 | 117 |

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

## U.S. Tobacco Exports Up in August

U.S. exports of unmanufactured tobacco in August 1965, at 32.6 million pounds, were 14 percent larger than those of August 1964. The export value was $26.6 million, compared with $24.1 million last year.

Exports of flue-cured at 25.3 million pounds, were up 18.9 percent from August 1964—but those of burley dropped to 2.7 million from 3.2 million. Exports of dark-fired Kentucky-Tennessee increased a little, while Maryland and Virginia fire-cured exports were off slightly.

For the first 8 months of calendar 1965, exports totaled 240 million pounds—down 8.8 percent from the 263 million shipped out in January-August 1964.

Exports of tobacco products in August 1965 were valued at $10.8 million, compared with $10.5 million a year ago. Exports of cigars and smoking tobacco in bulk were larger than those of August a year ago, but those of cigarettes, chewing and snuff, and smoking tobacco in packages were

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somewhat smaller. Total value of tobacco product exports in the first 8 months of calendar 1965 was down 1.6 percent to $79.4 million.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO

[Export weight]

| Kind | August | | January-August | | Change from 1964 |
|---|---|---|---|---|---|
| | 1964 | 1965 | 1964 | 1965 | |
| | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* | *Percent* |
| Flue-cured | 21,301 | 25,335 | 195,560 | 178,880 | −8.5 |
| Burley | 3,211 | 2,713 | 31,568 | 26,098 | −17.3 |
| Dark-fired Ky.-Tenn. | 1,277 | 1,445 | 10,679 | 9,465 | −11.4 |
| Va. fire-cured [1] | 604 | 462 | 3,272 | 3,335 | +1.9 |
| Maryland | 872 | 584 | 6,467 | 4,398 | −32.0 |
| Green River | 39 | 72 | 562 | 469 | −16.5 |
| One Sucker | 60 | 32 | 116 | 132 | +13.8 |
| Black Fat | 262 | 224 | 2,133 | 2,130 | −0.1 |
| Cigar wrapper | 510 | 440 | 4,157 | 2,825 | −32.0 |
| Cigar binder | 74 | 93 | 1,167 | 2,007 | +72.0 |
| Cigar filler | 45 | 32 | 394 | 279 | −29.2 |
| Other | 267 | 1,122 | 7,044 | 10,019 | +42.2 |
| Total | 28,522 | 32,554 | 263,119 | 240,037 | −8.8 |
| | *Mil. dol.* | *Mil. dol.* | *Mil. dol.* | *Mil. dol.* | *Percent* |
| Declared value | 24.1 | 26.6 | 201.3 | 190.4 | −5.4 |

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

| Kind | August | | January-August | | Change from 1964 |
|---|---|---|---|---|---|
| | 1964 | 1965 | 1964 | 1965 | |
| | | | | | *Percent* |
| Cigars and cheroots *1,000 pieces* | 3,656 | 6,977 | 28,231 | 33,471 | +18.6 |
| Cigarettes *million pieces* | 1,990 | 1,984 | 15,588 | 15,193 | −2.5 |
| Chewing and snuff *1,000 pounds* | 49 | 27 | 260 | 163 | −37.3 |
| Smoking tobacco in pkgs. *1,000 pounds* | 92 | 88 | 938 | 607 | −35.3 |
| Smoking tobacco in bulk *1,000 pounds* | 1,065 | 1,395 | 6,642 | 7,801 | +17.4 |
| Total declared value *Million dollars* | 10.5 | 10.8 | 80.7 | 79.4 | −1.6 |

Bureau of the Census.

## Sharp Increase in Yugoslav Tobacco Exports

Exports of unmanufactured tobacco from Yugoslavia during January-June 1965 were 67 percent above the 1964 level, at 32.1 million pounds.

The United States was the largest purchaser this year, taking 9.7 million pounds, more than double the quantity bought in the similar period a year ago. Other principal markets for Yugoslav tobacco in the first half of 1965 included Poland, 6.8 million pounds; Czechoslovakia, 4.8 million; East Germany, 4.4 million; and Egypt, 4 million.

YUGOSLAVIA'S TOBACCO EXPORTS

| Destination | January-June | | |
|---|---|---|---|
| | 1963 | 1964 | 1965 |
| | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* |
| United States | 2,640 | 4,381 | 9,720 |
| Poland | 3,971 | 5,624 | 6,819 |
| Czechoslovakia | 1,372 | 2,438 | 4,810 |
| Germany, East | 2,436 | 5,611 | 4,396 |
| UAR (Egypt) | 220 | 57 | 4,028 |
| Others | [1] 3,422 | 1,120 | 2,310 |
| Total | 14,061 | 19,231 | 32,083 |

[1] Mainly Italy.

## Taiwan's Cigarette Output Continues To Rise

Cigarette output in Taiwan during the first half of 1965, at 6,549 million pieces, was 4 percent greater than the 6,296 million pieces produced during the same 1964 period. Production of smoking tobacco rose to 352,000 pounds from 325,000, but cigars dropped to 162,000 pieces from 216,000 pieces.

## Portugal's Cigarette Output Up

Cigarette output in Portugal during the first 4 months of 1965 totaled 4.9 million pounds—up 6.1 percent from the 4.6 million produced in January-April 1964. Production of cut tobacco amounted to 417,000 pounds, compared with 408,000 in the 1964 period.

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